

WASHINGTON COUNTY
LOCAL DEVELOPMENT CORPORATION
2018 ANNUAL REPORT



www.wcldc.org

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The Washington County Local Development Corporation announces its Officers and Committees for 2018 and 2019...

2018/2019 OFFICERS/Executive Committee

Jared Humiston, representing Argyle, Chairman
Dave O'Brien, Hampton Supervisor, Vice Chairman
Dana Hogan, Kingsbury Supervisor, Secretary
Jay Niles, representing Granville, Treasurer

The 2018/2019 Board of Directors

Jared Humiston, representing Argyle
Cassie Fedler, Cambridge Supervisor
Paul Ferguson, Dresden Supervisor
Dan Shaw, Easton Supervisor
Richard Moore, Fort Ann Supervisor
Terry Middleton, Fort Edward Supervisor
Jay Niles, representing Granville
Sara Idleman, Greenwich Supervisor
Dana Haff, Hartford Supervisor
Dave O'Brien, Hampton Supervisor
Brian Campbell, Hebron Supervisor
Mark Mahoney, representing Jackson
Dana Hogan, Kingsbury Supervisor
John LaPointe, Putnam Supervisor
Dave Higby, representing Salem
Marion Watkins, representing White Creek
John Rozell, Whitehall Supervisor

2018/2019 Loan Review Committee

Jared Humiston, representing Argyle, Chair
Jay Niles, representing Granville
Brian Campbell, Hebron Supervisor
Dave O'Brien, Hampton Supervisor
Dana Hogan, Kingsbury Supervisor
John Rozell, Whitehall Supervisor
Dave Higby, representing Salem

2018/2019 Audit and Finance Committee

Jay Niles, representing Granville, Chair
Jared Humiston, representing Argyle
Terry Middleton, Fort Edward Supervisor
Marion Watkins, representing White Creek
John Rozell, Whitehall Supervisor

2018/2019 Governance Committee

Dave O'Brien, Hampton Supervisor, Chair
Jared Humiston, representing Argyle
Brian Campbell, Hebron Supervisor
Marion Watkins, representing White Creek
Jay Skellie, Jackson Supervisor

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Mission Statement

The Mission of the Washington County Local Development Corporation, a not-for-profit entity, is to stimulate economic development activities that encourage investment in Washington County, NY. The WCLDC will serve as a resource to retain and increase employment opportunities, encourage the expansion and growth of existing businesses, and attract new businesses to Washington County, NY. Fostering employment opportunities for Washington County residents while expanding and increasing the tax base are key objectives of the WCLDC. The WCLDC will seek to further its mission through the provisions of low interest loans to businesses.

Introduction

The primary service offered by the WCLDC is lending. Financing entrepreneurs, supporting company expansions, equipment purchases and real estate investments are just a few of the services available. Another priority is partnerships; we frequently work with financial institutions to assist businesses, as well as offer community development investment programs for developers. The WCLDC consistently collaborates and engages with strategic regional economic development agencies and statewide organizations to ensure resources, programs and funding streams to best serve existing businesses and start-ups are available. Whether its equipment for upgrading existing machinery, adding production lines, buying or building a facility, working capital or job creation; the WCLDC has programs with funding options to encourage growth and job creation across all sectors throughout the county.

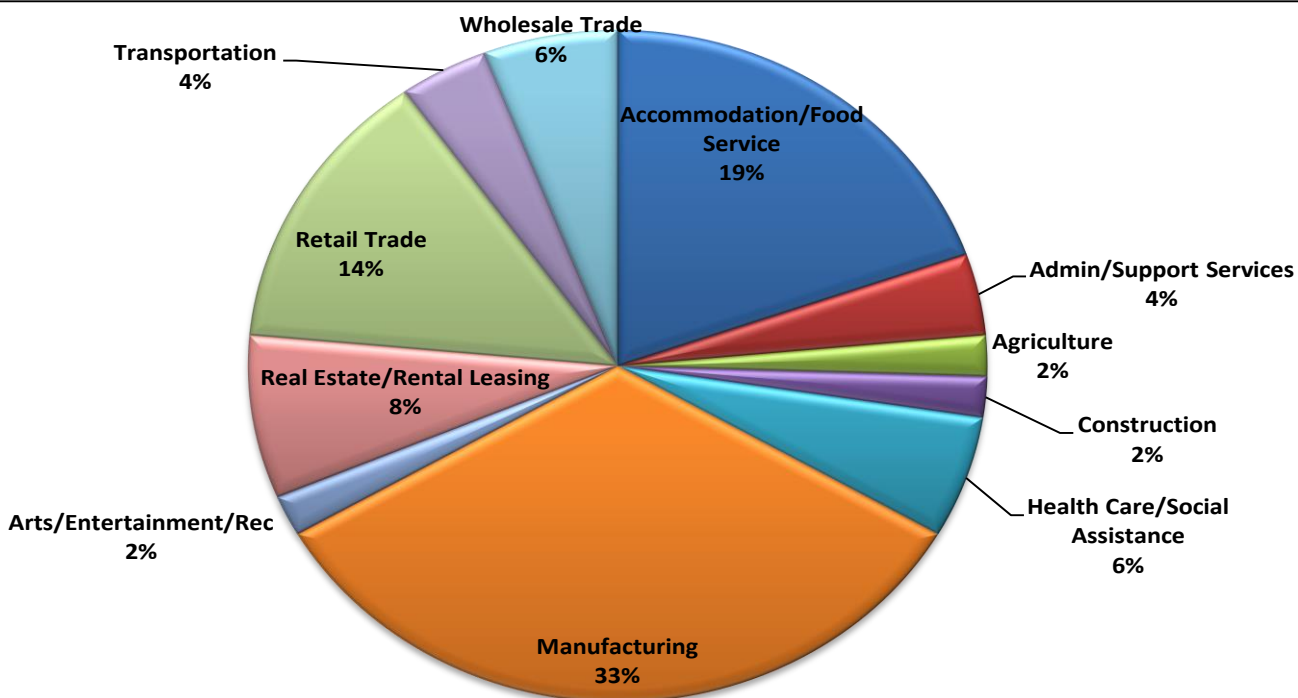
Loan Program Overview

The WCLDC ended the year closing \$903,950 in loans to ten (10) businesses in a variety of industries (one other totaling \$60,000 was approved but, will not close until 2019). The loans processed throughout the year were for a myriad of projects ranging from new start-up businesses to equipment upgrades and expansions of existing businesses. As of December 31, 2018, the total portfolio included fifty loans representing \$5.5 million, with a principal balance of approximately \$3.5 million. During 2018, we foreclosed on one loan writing off \$114,596.46.

Overall, we were presented with eleven loan applications for consideration. Reiterating our mission statements of past, the strategic importance of having locally controlled revolving loan funds cannot be overstated. The loans processed in 2018 created jobs in a multitude of sectors throughout Washington County.

Loans By Sector

■ Accommodation/Food Service	■ Admin/Support Services	■ Agriculture
■ Construction	■ Health Care/Social Assistance	■ Manufacturing
■ Arts/Entertainment/Rec	■ Real Estate/Rental Leasing	■ Retail Trade



Community Development Loan Fund

There were six loan closings in this loan program in 2018 totaling \$714,250.

The portfolio, at year end, included thirty-two businesses representing approximately \$3.4 million in loans and an outstanding balance of approximately \$2.4 million.

Economic Development Loan Program

There were three loan closings in this loan program in 2018 totaling \$115,700.

At year end, the portfolio included eleven loans representing \$1.7 million, with an outstanding principal balance of approximately \$773,000.

Intermediary Re-lending Program

There was one loan closings in this loan program in 2018 totaling \$74,000.

At year end, the portfolio included four businesses representing \$364,000 in loans, with an outstanding principal balance of approximately \$282,000.

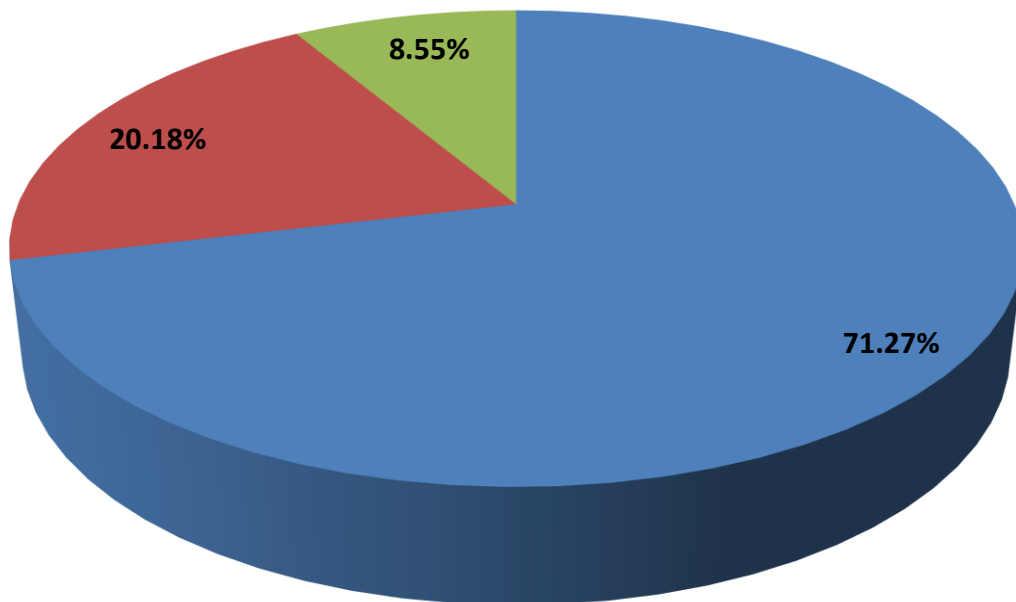
Microenterprise Loan Fund

There were no loan closings in 2018 under this program.

At year end, the portfolio included three businesses representing \$60,000 in loans with an outstanding principal balance of approximately \$18,000.

WCLDC Loan Portfolio Breakdown 1985-2018

■ Loan Funds paid in full ■ Current outstanding debt ■ Total loan funding written off



Total Loan Funds Expended Since Inception = \$17,687,788

Overall Total # of Loans = 183

Overall Success Rate of Loan Portfolio = 91.45%

Overall Rate of Loans Written Off = 8.55%

Start-Up ADK (formerly Microenterprise Assistance Program)

Together with Warren County LDC and SUNY Adirondack Continuing Education we successfully updated and rebranded the business course which is now called Start-up ADK (formerly called Microenterprise Assistance Program). We hosted a 10-week session of the course in spring and then hosted the first updated course in fall which now is an 8-week session going forward. Approximately 40 individuals enrolled in the course in 2018, including new and expanding businesses. We welcomed Warren, Washington and Saratoga County participants in both sessions.

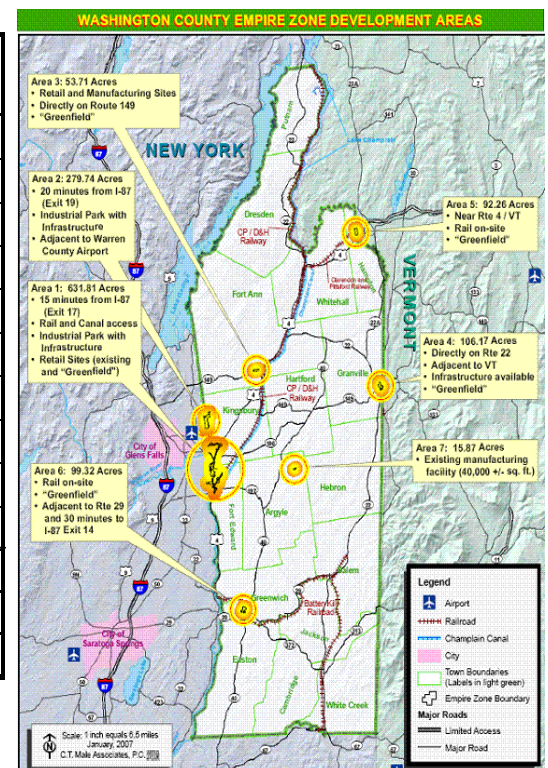
Our Presenters were generous in sharing both their time and professional insight with our participants. The course qualifies individuals interested in going into business, or expanding operations for a Micro loan up to \$25,000. We work with professionals in a variety of fields that volunteer their time to share their expertise, experiences and advice with the individuals interested in learning about what it truly means to go into business, or in some cases, if they're really ready to go into business or take on an expansion project.

Empire Zone Program

Zone certified businesses continued to invest, despite of the global economy and the climate experienced locally.

(*The numbers in the below table are approximations based on businesses reporting. This data is collected by the State going forward so it will no longer be reported here *)

Year	#Certified Bus.	# Full-Time Employees (quarterly average)	\$Capital Investment (millions)
2003	32	2,256	\$29.0
2004	49	2,313	\$24.2
2005	78	2,454	\$18.5
2006	81	2,644	\$22.6
2007	84	2,474	\$21.0
2008	71	2,417	\$54.4
2009	67	2,170	\$87.3
2010	64	2,085	\$86.6
2011	56	2,100	\$18.3
2012	55	2,068	\$19.5
2013	50	2,027	\$19.0
2014	49	2,140	\$19.1
2015	47	1,884	\$19.15



In order to retain certification for the businesses already certified in our zone, WCLDC continues to provide administrative services and required documentation for the program.

When the funding from the State for the program was eliminated, the Washington County Board of Supervisors passed Resolution number 214 on August 20, 2010 in order to reduce the responsibilities of the Empire Zone Administrative Board to local advocacy only. The accounting and operational responsibilities went to the Washington County Local Development Corporation committee's to oversee and audit as there is no funding moving forward. The remaining balance in the accounts will be used to continue the administrative and operational responsibilities of continuing the administration of the program for the existing businesses able to continue to take their tax credits.

Warren-Washington Airport Industrial Park

Located on the border of Warren and Washington Counties in Northeastern New York, the Warren-Washington County IDA (WWIDA) is proud to announce that Phase II in Kingsbury, Washington County has been designated as “shovel ready” through New York State’s Shovel Ready Certification Program. The 66-acre site on County Line Road is now pre-qualified for future development as a multi-tenant business and technology park. By accomplishing Shovel Ready Certification for this site in Washington County, the potential to attract developers and/or business interest is increased substantially, and the time to complete any project is significantly reduced.

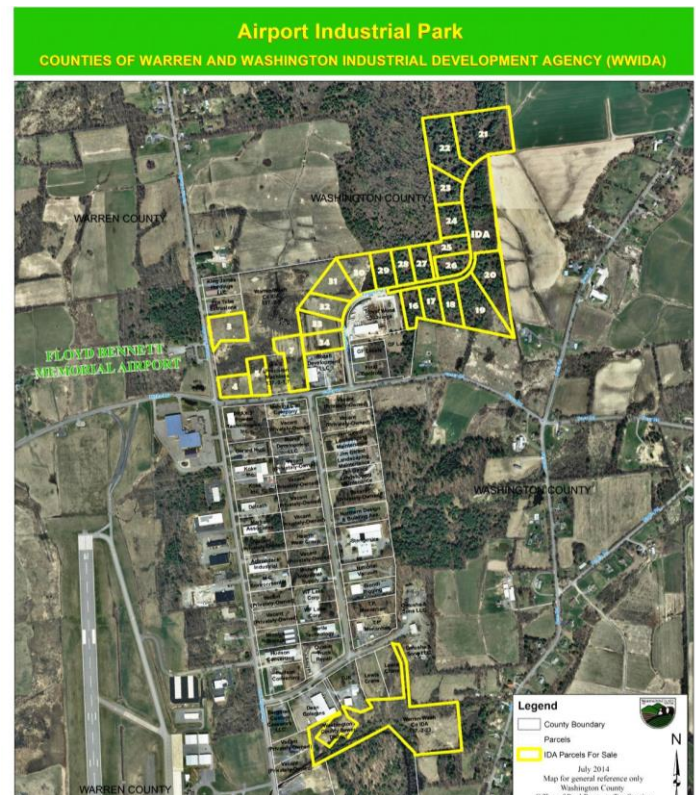
Obtaining this Shovel Ready certification for the sites in Washington County couldn’t come at a better time. With the increased volume of investment interests our County is receiving, having this valuable inventory with the process streamlined is certainly an advantage when competing to secure business expansions and/or a potential business re-location. We look forward to utilizing this certification to the fullest extent. If you’re looking for a world-class setting within four hours of the Canadian, Boston and New York City Markets, the Airport Industrial Park is the place to be.

An hour north of Albany NY, the Industrial Park is adjacent to Floyd Bennett Memorial Airport; offering business customers a 5000’ Primary and 4000’ Secondary ILS runway, shuttle and limo services, hangar space that accommodate up to a Gulfstream IV; as well as concierge services. Nestled between the Adirondack and Green Mountains of New York and Vermont, the Airport Industrial Park is centrally located to serve and distribute throughout the Northeast. The park offers shovel ready sites served by municipal water and sewer, natural gas, fiber optic infrastructure and 3-Phase power. Current tenant operations include high-tech, medical device manufacturing, and custom trade operations.

Add your business to the mix of successful and thriving enterprises at the Airport Industrial Park and watch growth happen.

ECONOMIC DEVELOPMENT INCENTIVES

- 485-b Property Tax Incentive program
- Excelsior Program
- Foreign Trade Zone
- PILOT opportunities
- Sales Tax Exemptions on new buildings and expansions
- Personalized assistance from bi-county economic development professionals
- Private/Public financing information, lending and incentive packages available.



Financial Situation

WASHINGTON COUNTY LOCAL DEVELOPMENT CORPORATION STATEMENT OF FINANCIAL POSITION YEAR ENDED DECEMBER 31, 2018

ASSETS	Restricted					Unrestricted	Total
	Income After Closeout	Intermediary Relending Program	RBEG Grant	Empire Zone	CDBG Grant		
Current Assets:							
Cash- Checking	\$ -	\$ 18,096	\$ 18,047	\$ 511	\$ 150,323	\$ 711,347	\$ 898,324
Cash - Time Deposit	-	22,000	-	-	-	405,764	427,764
Accounts Receivable	-	-	-	-	-	1,598	1,598
Prepaid Expenses	-	-	-	-	-	1,665	1,665
Current Portion, Loans Receivable	13,628	28,339	-	-	-	400,301	442,268
Current Portion, Lease Payments Receivable	-	-	5,155	-	-	-	5,155
Interest Receivable	190	362	-	-	-	11,692	12,244
Total Current Assets	13,818	68,797	23,202	511	150,323	1,532,367	1,789,018
Other Assets:							
Loans receivable, net of current portion	176,688	253,261	-	-	-	2,645,237	3,075,186
Allowance for Doubtful Accounts	(711)	(22,000)	-	-	-	(304,587)	(327,298)
Lease Payments Receivable, net of current portion	-	-	12,886	-	-	-	12,886
	175,977	231,261	12,886	-	-	2,340,650	2,760,774
Total Assets	189,795	300,058	36,088	511	150,323	3,873,017	4,549,792
LIABILITIES AND FUND EQUITY							
Current Liabilities:							
Accounts Payable	-	-	-	-	150,323	-	150,323
Current Portion of Loan Payable	-	11,046	-	-	-	-	11,046
Total Current Liabilities	-	11,046	-	-	150,323	-	161,369
Long-Term Liabilities:							
Long Term Loan Payable, net of current portion	-	105,470	-	-	-	-	105,470
Total Long term Liabilities	-	105,470	-	-	-	-	105,470
Total Liabilities	-	116,516	-	-	150,323	-	266,839
Fund Equity	189,795	183,542	36,088	511	-	3,873,017	4,282,953
Total Liabilities and Fund Equity	\$ 189,795	\$ 300,058	\$ 36,088	\$ 511	\$ 150,323	\$ 3,873,017	\$ 4,549,792

WASHINGTON COUNTY LOCAL DEVELOPMENT CORPORATION STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2018

REVENUES	Restricted					Unrestricted	Total
	Income After Closeout	Intermediary Relending Program	RBEG Grant	Empire Zone	CDBG Grant		
Interest on Loans	\$ 7,972	\$ 13,703	\$ -	\$ -	\$ 8,451	\$ 153,917	\$ 184,043
Interest on Time Deposits	-	81	-	1	12	5,071	5,165
Contributions/Grants	-	-	-	-	-	80,000	80,000
Origination & Late Fees	-	699	-	-	1,376	21,628	23,703
Events	-	-	-	-	-	2,351	2,351
RBEG Grant Reimbursement	-	-	-	-	-	-	-
Net assets released from Unrestricted Income	(24,730)	-	-	-	-	24,730	-
Total Revenues	(16,758)	14,483	-	1	9,839	287,697	295,262
EXPENDITURES							
Salaries & Wages	-	-	-	-	-	68,558	68,558
Payroll Taxes	-	-	-	-	-	4,995	4,995
Fringe Benefits	-	-	-	-	-	17,223	17,223
Professional Fees	-	-	-	-	-	22,722	22,722
Interest Expense	-	1,452	-	-	-	-	1,452
Insurance	-	-	-	-	-	3,611	3,611
Office Expense	-	-	-	-	-	1,264	1,264
Marketing and Advertising	-	-	-	-	-	5,348	5,348
Meeting Expense	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	391	391
Grant Expenses	-	-	-	-	189,308	-	189,308
Bad Debt Expense (Recovery)	(731)	-	-	-	-	136,860	136,129
Total Expenditures	(731)	1,452	-	-	189,308	260,972	451,001
Excess (Deficit) of Revenue Over Expenditures	(16,027)	13,031	-	1	(179,469)	26,725	(155,739)
Fund Equity - Beginning of Year	\$ 205,822	\$ 170,511	\$ 36,088	\$ 510	\$ 179,469	\$ 3,846,292	\$ 4,438,692
Fund Equity - End of Year	\$ 189,795	\$ 183,542	\$ 36,088	\$ 511	\$ -	\$ 3,873,017	\$ 4,282,953
	189,795	183,542	36,088	511	-	3,873,017	4,282,953

What to expect in 2019?

It is anticipated that the following goals for 2019 will be met:

- Continue identifying opportunities to provide services, information and resources to Washington County businesses.
- Continue to collaborate and build relationships with other County agencies and departments to strategize, plan, and work together to utilize the diverse talents and capabilities of individuals between agencies.
- WCLDC will work towards identifying Grant opportunities available to expand lending power.
- Finance at least \$700,000 in loans to prospective business start up's and expansion projects.
- Work with the committees at the WWIDA to encourage applicable businesses for the existing lots available in the Industrial Park.
- Administration will continue to comply with the "Public Authority Accountability Act".
- WCLDC will host the Start-Up ADK programs twice annually and continue to develop the curriculum presented.
- Provide networking events such as the Small Business Awards for Washington County businesses.